

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)	
OF MORGAN COUNTY WATER)	CASE NO. 2002-00387
DISTRICT)	

O R D E R

On October 24, 2002, Morgan County Water District (Morgan County) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Morgan County purchases water from the city of West Liberty (West Liberty), the city of Campton, and Paintsville Utilities.
2. West Liberty notified Morgan County that effective with its October 1, 2002 billing its wholesale water rate would decrease from \$2.95 per 1,000 gallons to \$2.41 per 1,000 gallons. Morgan County proposes to decrease the water rates to its customers effective with the date of this Order.
3. During the 12 months ending September 30, 2000, Morgan County purchased a total of 65,739,920 gallons of water and sold 54,542,470 gallons. The decrease in the cost of purchased water is \$30,293.00, resulting in a purchased water adjustment of (\$0.56) per 1,000 gallons and not Morgan County s proposed adjustment of (\$0.41) per 1,000 gallons.
4. The rates proposed by Morgan County should be denied.

5. The purchased water adjustment of (\$0.56) per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of (\$0.56) per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after the date of this Order.

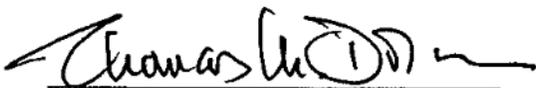
2. Within 20 days of the date of this Order, Morgan County shall file with the Commission revised tariff sheets showing the rates approved herein.

3. Within 20 days of the date of this Order, Morgan County shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 25th day of November, 2002.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2002-00387 DATED November 25, 2002

The following rates and charges are prescribed for the customers in the area served by Morgan County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8 Inch Meter

First	2,000 gallons	\$ 19.41	Minimum bill
Next	3,000 gallons	7.03	per 1,000 gallons
Next	5,000 gallons	6.43	per 1,000 gallons
Next	5,000 gallons	5.83	per 1,000 gallons
All Over	15,000 gallons	5.23	per 1,000 gallons

1 Inch Meter

First	5,000 gallons	\$ 40.50	Minimum bill
Next	5,000 gallons	6.43	per 1,000 gallons
Next	5,000 gallons	5.83	per 1,000 gallons
All Over	15,000 gallons	5.23	per 1,000 gallons

2 Inch Meter

First	15,000 gallons	\$ 101.80	Minimum bill
All Over	15,000 gallons	5.23	per 1,000 gallons